



# **ELECTROTECH INVESTMENTS LIMITED**

**1H FY2005 Results Presentation**

**August 4, 2005**

# Presentation Outline

- **Financial Highlights**
- **Corporate Updates**
- **Outlook for FY2005**

# 1H FY2005 at a glance...

- **Both Mechatronics and EMS Divisions continue to drive growth in revenue and profit**
- **Margins were strengthened with cost containment efforts**
- **Net Profit grew 68% to S\$13.9m for first half**
- **Improved cash flow from operations and proceeds from IPO strengthened cash position to S\$43.4m**

# Financial Snapshot

(S\$mIn)	1H FY05	1H FY04	Chg YoY	FY2004
Revenue	110.3	87.4	26%	193.6
Gross Profit	26.0	19.6	33%	44.8
Profit before Tax	19.2	12.2	57%	29.6
Net Profit	13.9	8.3	68%	21.7

Financial Year ended December 31

# Financial Indicators

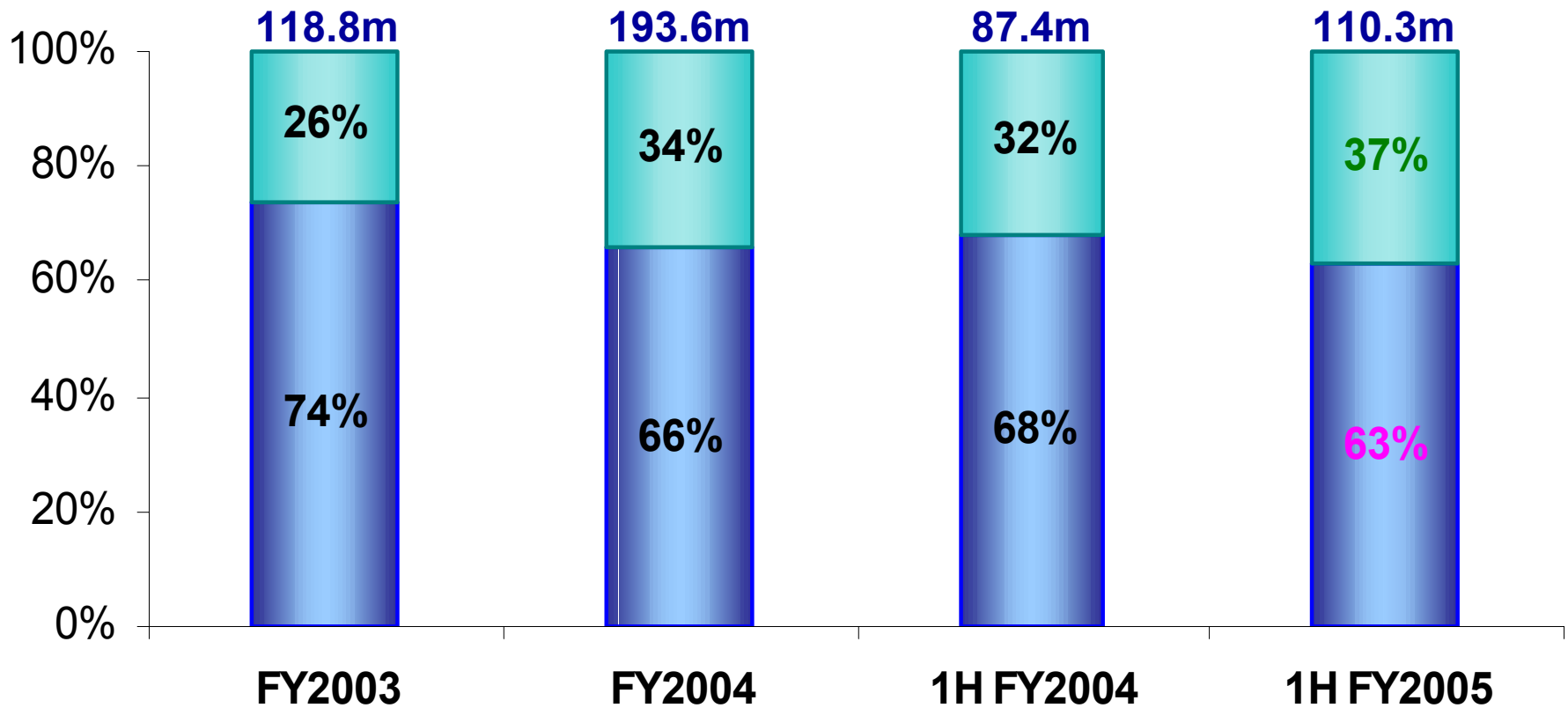
	1H FY04	FY2004	1H FY05
<b>Gross Margin</b>	<b>22.4%</b>	<b>23.1%</b>	<b>23.5%</b>
<b>PBT Margin</b>	<b>14.0%</b>	<b>15.3%</b>	<b>17.4%</b>
<b>Net Margin</b>	<b>9.6%</b>	<b>11.2%</b>	<b>12.6%</b>
<b>EPS (cents)</b>	<b>3.46</b>	<b>8.95</b>	<b>5.33</b>
<b>NAV/share (cents)</b>	<b>31.58</b>	<b>37.35</b>	<b>43.41</b>
<b>ROE</b>	<b>22%</b>	<b>23.9%</b>	<b>21%</b>

*Financial Year ended December 31*

*\*Annualized figures*

# Revenue by Business Divisions

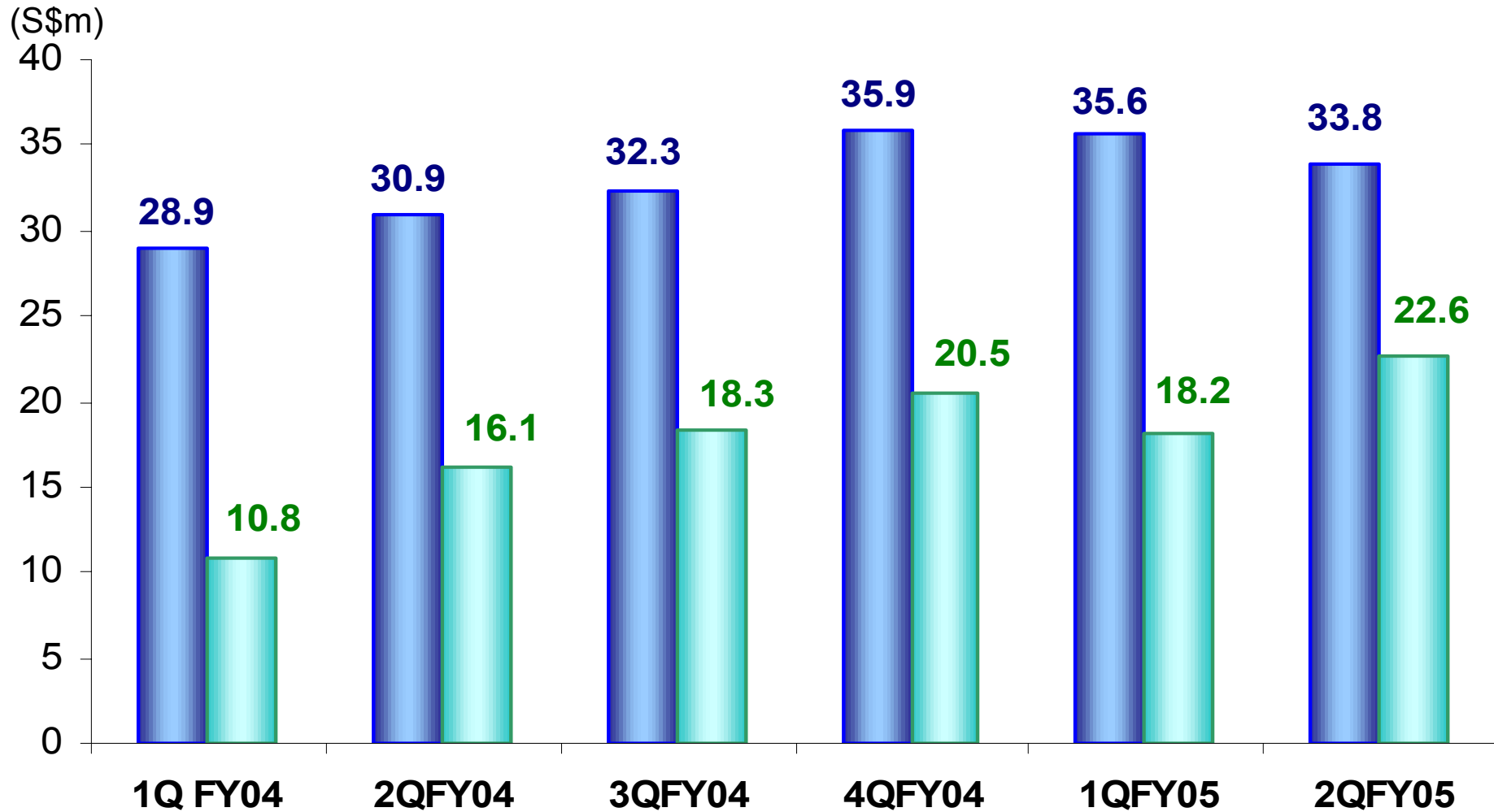
- Mechatronics and EMS Divisions contributed 63% and 37% in 1H FY2005



*Financial Year ended December 31*

■ Mechatronics ■ EMS

# Revenue Trend by Business Divisions

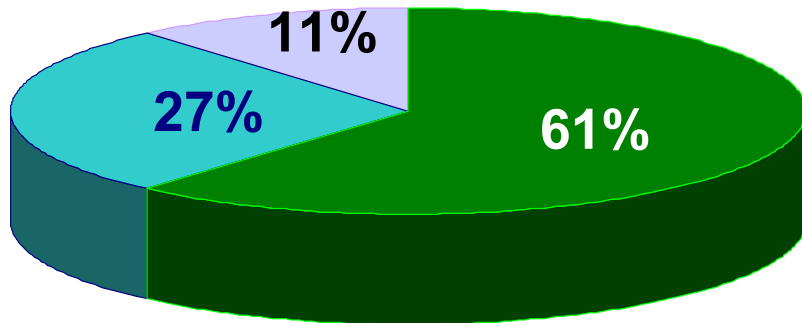


*Financial Year ended December 31* ■ Mechatronics ■ EMS

# EMS Revenue by Industry

- Strong growth in revenue attributed to significant increase in keypad revenue and encouraging revenue contribution from printer trays.

- EMS revenue grew 48% year-on-year

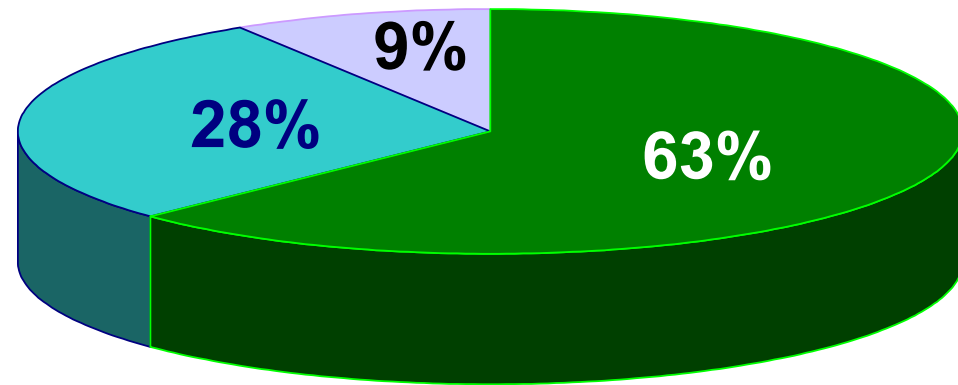


Revenue = S\$27.6m

1H FY2004

1H FY2005

Revenue = S\$40.8m



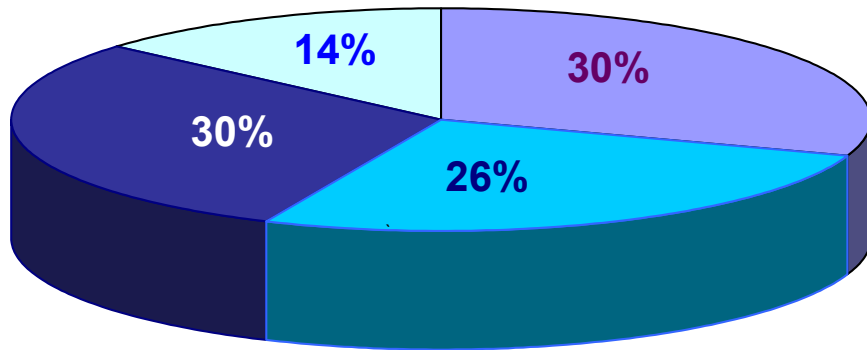
■ Telecommunications ■ Office Automation ■ Others



# Mechatronics Revenue by Industry

- Revenue growth was recorded from the analytical and medical segments with semiconductor segment showing a small contraction.

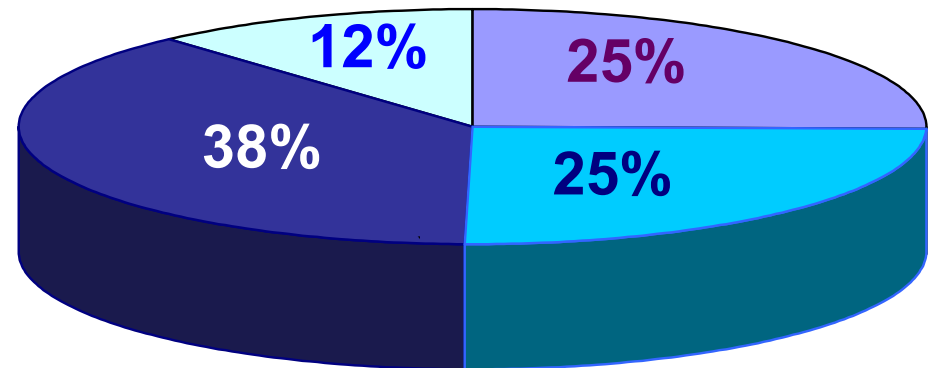
- Mechatronics revenue grew 16% year-on-year



Revenue = S\$59.8m

1H FY2004

1H FY2005  
Revenue = S\$69.4m



■ Semiconductor     ■ Medical  
■ Analytical        ■ Others

# Corporate Overview

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# Business Overview



an international group providing **Contract Design** and **Manufacturing** services to a diverse customer base in various industry sectors and countries.

Together, the **Mechatronics** and **EMS** Divisions provide our international client base with a comprehensive range of outsourcing services from **single key components** to **modules** and **complete box built machines, equipment and products** such as but not limited to ....

## Mechatronics Division



Precision Components



Modules



Complete Machines

## EMS Division



Key Components

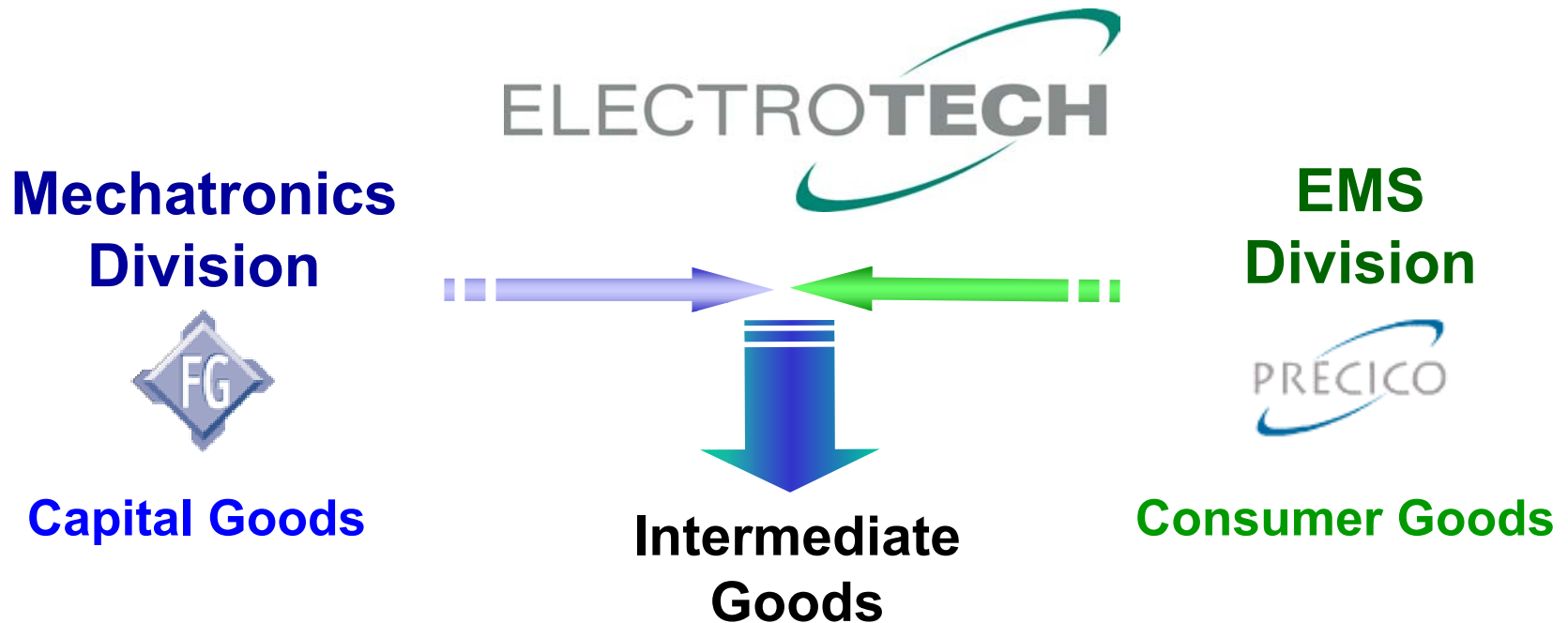


Modules



Box Built Products

# Growth Strategies



- Capitalise on the Group's diverse and broad technologies and capabilities towards new markets and products
- Leverage on the geographical presence of the two divisions to expand and diversify the Group's business
- Strategic technical and technology collaboration and synergistic acquisition

# Prestigious Customer Base

- Most of our customers are market leaders in their respective specialist sectors



## Mechatronics Division

ASM Lithography  
**Assembléon**  
Leica Microsystems  
**Süss Microtec**  
Philips Medical Systems  
**Bayer Diagnostics**  
FEI Company  
**PANalytical**  
Urenco  
**Fokker Elmo**



## EMS Division

Koike / Shin-Etsu  
**Kanematsu**  
Fuji  
**Motorola**  
Argos, Index and  
Littlewoods  
**Canon**  
Xerox  
**Neopost Industrie**  
Flextronics  
**Hitachi**  
Sony

# Mechatronics Division – New Developments

## Completed :

- Expanded clean room (class 10,000) assembly space to approximately 1,000 sq metres
- Created a dedicated sub-micron technology department to manufacture components with tolerances of  $\pm 0.5$  micron

## Ongoing :

- Sourcing additional space to expand mechatronics assembly in Europe to cater for increased business
- Installing robotics and tool management system to improve overall machining efficiency
- Expanding mechatronics assembly floor space (including a clean room) at our Malaysian facility
- Expanding and growing our mechatronics business to capitalise on increased outsourcing demands in Asia
- Focus on design and technology advancements in areas of vacuum, air bearings linear motors and drive unit technologies
- Expanding our market in Europe – in the midst of setting up marketing, sales and engineering outfit in Germany (jointly with EMS Division)

# Mechatronics Division – Growth Drivers

- **Various new developments and re-engineered projects to go into commercial production in late 4Q 2005 and early 2006**
  - ✚ **projects are mainly from Medical and Analytical sectors**
- **First successful penetration into the Asian market**
  - ✚ **received orders and started production for a complete module assembly in an analytical equipment for a Japanese client**
- **New contacts with various potential clients in France and Germany**

# EMS Division – New Developments

## Completed :

- Re-layout of the box built production floor into flexible work cells for high and low volume  
(40% space saving readily made available for new business expansion)
- Increased mobile phone keypads capacity to come on stream in 4Q FY2005  
(approx. 30% increase over present capacity)

## Ongoing :

- Focusing on surface coating technologies to diversify to new products and market segments
- Commercial production has commenced in 2005 for two new customers in the automotive sector



# EMS Division – Growth Drivers

- **Mobile keypad demand continues to be strong with orders for a number of new models with higher process complexities**
- **Capitalising on our vertically-integrated design and manufacturing services to target turnkey high mix and medium to low volume products**
- **Target increase outsourcing trend by tier 2 and niche product companies**
- **Various new development projects at the electronics unit to commence commercial production in 2006 and 2007**

# Outlook

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# Outlook

## ■ Expects results for 3Q to be satisfactory

### + Mechatronics

- Seeing a short-term slow down in demand from customers in the Semiconductor sector
- Balance off with stronger demand from Analytical and Medical sectors

### + EMS

- Demand for keypads and office automation continue to be buoyant

## ■ On a year-on-year comparison, we will not see a similar increase that was recorded in first half



**ELECTROTECH INVESTMENTS LIMITED**

**THANK YOU**